

# Denny and Dunipace UOG Community Discussion Outcomes

- **Group:** The Community Council and the Peoples of Denny and Dunipace.
- **Date of meeting:** Tuesday 1st May 2017, 7-9:15pm.
- **Location:** Denny Baptist Church, Denny FK6 6HD.
- **Number of attendees:** 60.

## Overall, and in light of the available evidence, what do you think would be the main benefits, if any, of an unconventional oil and gas industry in Scotland?

The main potential benefits put forward by residents, or emerging in discussion were:

**No benefits.** Three quarters of those present perceived there to be no benefits of UOG whatsoever to Denny and Dunipace.

**Jobs.** Prior to the discussion, around a third of residents thought there may be some potential for local jobs from a UOG industry. However, the general view was that these would be few and short-term due to UOG's extractive activities being largely front-loaded and, haulage aside, intermittent or automated thereafter. It was felt that this work would mainly be fulfilled by 'drive-in' outsiders, not local contractors, although these might result in additional ad hoc local jobs around food or accommodation during periods of activity. It was suggested that a commitment to local employment or sourcing might be secured by contractual agreement between the community and local UOG operators, but that conditions would need to be 'cast-iron' and regulated to ensure they were honoured.

It was noted that many Ineos employees lived in the area, and put forward that a UOG industry could sustain these jobs. However, a community councillor reported that Ineos had confirmed a 10 year extendable contract for US gas imports, and therefore these jobs were likely to be safeguarded in any case over the 15 year period predicted for the UOG industry. Many also regarded new jobs with Ineos as undesirable locally, on account of their poor reputation as an employer –for compromising on safety and renegeing on pensions etc. Others felt any employment opportunities needed to be weighed against the potential loss of jobs which could result from local UOG extraction, with impacts on tourism and farming mentioned.

**Energy Security.** Scottish energy security was posed by some as a possible benefit of UOG, and this was discussed. Some felt that an industry with a 15 year lifespan could not reasonably be regarded as a secure or sustainable basis for energy production, and in itself was a warning regarding declining fossil fuel resources. However, the view was expressed that given our current dependency, the years of national consumption which UOG represented rendered it worth exploring, as a transitional fuel with a lower climate impact than coal. Others argued the time and investment which UOG would consume, would be better spent focused on continuing the development of a national renewables industry. In the words of one resident, 'it will always be windy and rainy in Scotland, Scottish wind and rain won't come to an end after 15 years'. Another felt that if the resources were so valuable, then they should be preserved for future generations who may have greater need for them.

Others challenged the idea of national energy security in the context of a UOG industry monopolised by Ineos, as this would mean they would control supply and profits, not the Scottish Government and people. As one resident put it, 'they'll own the gas, so they'll decide who they sell it to'. Another argued that this power could enable them to manipulate the market and the Scottish Government 'like it was in the early 70s with Saudi Arabia'. Some felt that UOG might deliver energy security, cheaper fuel and local income if extraction was controlled by their own community-owned energy company. Nevertheless, this possibility was entirely dismissed by all, summarised by one resident as 'it might be OK with a local energy company but that will never happen. They're not going to hand things over if there's money to be made – big business only exists to make money'. On the basis of the discussion, a significant majority rejected energy security as a potential benefit.

**Government Income.** There was general agreement that Scottish Government could derive some financial benefit from UOG-related taxes, but also that this would be relatively insignificant due to offshore tax avoidance schemes and, potentially, interference from Westminster. Many felt any benefits would be further offset by potential hidden costs of UOG to the public purse, such as those associated

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with subsidies, road repair, additional regulation, or NHS costs for negative health impacts. As one resident expressed it, 'there will be financial benefits but these are for the industry, not for Scotland and our community'.

## Overall, and in light of the available evidence, what do you think would be the main risks or challenges, if any, of an unconventional oil and gas industry in Scotland?

**Public and Environmental Health Risks.** For over three quarters of all participants the foremost potential risk was the impacts of UOG-related pollution on health. People perceived this to be an intensive industry that would be largely self-regulating in 'a small heavily-populated area compared to the USA and Australia', with a complex geological context. Some residents cited evidence they had come across regarding US and Australian gasfields, such as an association with incoming industry and negative health effects, or pictures which showed a 'wasteland where nothing grows' after the industry left. Others thought the stress of the perceiving potential invisible risks of UOG pollution could themselves have implications for local mental and physical health. For some present, these factors recalled the Rechem incident where a local industrial facility had caused significant long-term impacts on public and environmental health, including birth defects and poisoned livestock, and where harmful dioxins are still present in the environment 20 years later.

Many felt the conclusion of the Scottish Government commissioned health report that there was 'inadequate evidence' to prove the safety of UOG, was sufficient to refuse the industry at this stage. A quarter of residents ranked the lack of public information available on the chemicals associated with the UOG industry high on their potential risks. In discussion, it was deemed unacceptable that there should be public non-disclosure of many industrial chemicals, as this placed commercial confidentiality above their safety. One resident expressed concerns about the many unknowns –the non-disclosed chemicals, the quantities used, and what occurred when they interacted with each other and the environment. Another mentioned emerging evidence on the health effects of chemicals known to be associated with the industry, such as endocrine disruptors and formaldehyde. Another felt strongly that fine particulate matter from industrial activities and heavy traffic could represent an unseen health risks for children and wildlife. In the words of one resident, for the Scottish Government to proceed with UOG in spite of all these factors would be 'unthinkable', and another stated 'it would be to treat us as guinea pigs for the industry'.

**Ineffective Regulation.** Prior to the discussion, ineffective regulation was ranked among potential risks by over a quarter of residents, and it emerged as a central topic of the discussion. From local experience, many had come to view the regulatory approach as not proactive, but reactive and 'after the event'. Residents talked about the Rechem incident, where decisive action by the regulators could have prevented serious long-term effects on local health, farming and the ecology, effects with which they are still living decades later. Others referred to recent property damage caused by a fungus linked to the Diageo whisky facility in Bonnybridge, and which the business denied. Also mentioned was dye from a local paper mill which would periodically change the colour of the River Carron, until SEPA finally imposed treatment requirements which cleared it up. In the context of these personal experiences, residents had little faith in the ability of regulators to control an intensive extractive industry locally. Most saw it as essential that insurance and bonds were in place upfront, sufficient to cover property or environmental damage which could occur during extractive activities or after decommissioning. It was also felt that accidents or abuses should result in immediate 'hard' enforcement, and not 'soft' fines which were considered ineffectual for regulating big business, or as one resident put it, 'with the money they make, the fines don't matter, they don't care'.

One resident argued strongly that regulators could be trusted, describing how quickly and effectively SEPA had responded to a diesel spillage in his facility, imposing monthly inspections and ongoing monitoring requirements. However, another argued that 'regulators may come down heavy on the small guys, but they turn a blind eye to the big ones', due to their constitutional obligation to facilitate economic activity and growth. The view was expressed that there was plenty of evidence that 'regulatory bodies don't function' in this respect, and the failure of the FSA to regulate the banks, a factor in the financial crisis and recession, was cited as an example. It was put forward that the system may serve to protect businessmen 'in the higher echelons' from disturbance, and thus regulators would be unlikely to interfere heavily with a company with the size and influence of Ineos. Another noted, 'Ratcliffe already has the Scottish Government in his pocket, so it'll be Ineos who determines the legislation, not SEPA'.

However, others regarded regulators as being essentially good-intentioned, yet believed them to be too under-resourced and overstretched to control an intensive industry of this scale, and that this would allow UOG operators to 'cut corners'. An employee of Scottish Water admitted they were largely self-regulating, albeit responsibly, and opined that the fact SEPA had to take self-reported data on face value gave private companies an opportunity to conceal or manipulate data harmful in their own interest. One resident speculated that 'this may be why we never hear about the negative impacts'. Another referred to how, when they reported impacts of local developments, such as Rechem and the paper mill, SEPA 'didn't rush out to resolve matters'. Many felt that if each UOG site had an independent assessor on-site then this may alleviate some concerns, yet would not countenance this on account of the costs to the public purse. In conclusion, there was general lack of trust in the UOG industry players, and the ability of regulators and the regulatory system to protect the community from the potential risks.

**Geological Risks.** Over a third put factors associated with the local geology high among their potential risks. In discussion, residents talked about the density of old mine-workings and shafts locally (e.g. the Torwood 'blue pool'), known and uncharted, and their interconnectivity beneath the ground. A fifth considered there to be a high risk of gases and chemicals escaping via these pathways to pollute air, water and soil. It was felt the unstable geological context may not be able to sustain the weight of surface infrastructure, or extractive / seismic activity, and subsidence or mine collapse could cause property damage and exacerbate the risks of fugitive pollution. After discussion, there was general agreement that knowns and unknowns related to the local geology represented significant risks to the

community.

**Economic Disbenefits.** Many residents expressed concerns at the risks a UOG industry could have on other aspects of the local and national economy. Locally, many felt UOG would negatively impact on the thriving local tourist industry which had built up around attractions such as the Canal, Antonine Wall and Kelpies. Others talked about personal economic impacts such as falling house valuations and rising insurance costs, which they expected to accompany UOG extraction. In the local area, and throughout the Forth Valley, there were concerns that water pollution could affect fishing, which was considered important culturally and for tourism. At a national level, some thought a UOG industry could influence international perception of the cleanliness of Scotland's water, which might harm the Scottish whisky industry, despite there not being many distilleries in the Central Belt.

**Community Impacts.** A main discussion theme was the achievements of the community in recovering from the legacy of past industries hosted locally. Residents talked about how Denny and Dunipace used to have a 'damaged reputation' as a place to live, particularly associated with the Rechem incident, and also how 'we need to leave this place better than we found it'. They described the hard work of volunteers to restore the local environment, and there was the general feeling that the community was seeing the 'fruits of our labour', such as increasing tourism and the return of salmon and trout to the river. A significant majority saw UOG as a threat to this progress, and to their perception of where they lived, present and future. They felt the introduction of industrial infrastructure and traffic into a rural setting where 'there are not enough roads anyway', would have intolerable impacts on their local ecology, economy and their experience of their home and landscape. There was also concerns raised as to the impact of increased traffic on the main road and how this would likely obstruct emergency services entering or leaving the area. One resident summarised the overall view by saying 'we've put in a lot of work to get on the up. Introduce UOG and we'll be backsliding to where we were 15 years ago'.

**Corporate Power.** Another recurring discussion theme was residents' worries about the influence of Ineos over the UOG situation in Scotland. There was a feeling among many that Ineos had the Scottish Government 'in their pocket', and that they may 'blackmail' them to move forward with UOG against the wishes of the Scottish public by leveraging their control of critical national assets, such as the Grangemouth refinery or BP pipeline network. Furthermore, if UOG did go ahead, residents feared Ineos's greater power would mean regulators could prioritise their business interests, over the protection of communities, thus increasing the risks to public, environmental and economic health. One participant stated, 'the industry has the power, the better lawyers and the legal protections, so they can take all they want from the honest and good people'. The general view was that, ultimately, Scottish UOG would end up financially benefiting a few individuals - particularly, Jim Ratcliffe - while the Scottish people suffered the burden of risk for negligible reward.

## **If you have any other comments on the issues as discussed in this consultation, please provide them here:**

This section forms the main substance of our consultation and revolves around the OUR MESSAGE TO GOVERNMENT questions (or what we think the Scottish Government need to take into account when considering the future of unconventional oil and gas development in Scotland).

**Denny and Dunipace refuse the social license for the UOG industry to operate in our community council area, and request that the Scottish Government do not allow themselves to be blackmailed by powerful interests to override the position we have reached.** Although discussing matters separately, our two groups have both reached the same conclusion, namely, that the risks of UOG to our community significantly outweigh the benefits, which we consider to be largely 'illusory'. We have no trust in the promises of industry or the capacity of regulators, as we suffered repeatedly for believing in these before, and do not wish to repeat our mistakes. We are working hard to recover from the substantial harm to our health, environment and reputation from hosting past industries, take joy from the 'fruits of our labour', and see UOG as a substantial threat to our collective goals and progress. We acknowledge the importance of Ineos as a local employer, but do not believe refusing UOG will affect these jobs, or that accepting UOG will deliver significant, sustainable or desirable local employment. We also have serious concerns about Ineos's power and influence in Scotland, and its capacity to override the will of our community as expressed here, as well as the commitment of the Scottish nation to sustainable development and the faith of its peoples in responsible Government. In conclusion, with the exception of one resident, we are in agreement in refusing the social license for the UOG industry in our community council area, and request confirmation that our decision will be respected by our elected representatives, and that they will not allow themselves to be blackmailed by Ineos to override it.

*Working in Partnership to Put People and their Values at the heart of Planning*

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